CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

2007-2008

PERFORMANCE REPORT

The Honourable Josée Verner

President of the Queen's Privy Council for Canada
Minister of Intergovernmental Affairs and Minister for La Francophonie

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SECTION I – OVERVIEW

Agency Head's Message

The multilateral intergovernmental conference is a key component of the Canadian federation. It is an instrument for consultation, coordination, negotiation and agreement among federal, provincial and territorial governments.

The Canadian Intergovernmental Conference Secretariat (CICS) was established pursuant to an agreement reached at the May 1973 First Ministers' Conference. It is an agency of both the federal and provincial governments that provides administrative services for the planning and conduct of senior level federal-provincial-territorial and provincial-territorial conferences held throughout Canada.

The objective of the program is to relieve client departments, in virtually all sectors of government activity, of the numerous technical and administrative tasks associated with the planning and conduct of such conferences, thereby enabling them to concentrate on the substantive issues.

In addition to the increasingly important cost efficiencies and the significant economies of scale, which governments can achieve through the utilization of CICS, the Secretariat also offers the advantages of confidentiality, continuity, neutrality and expertise in the planning and organizing of high level intergovernmental meetings in Canada.

In 2007-2008, the Secretariat provided services to 86 senior level conferences which were held in every region of the country. Included in the above are 4 Premiers, 36 Ministerial and 46 Deputy Ministerial meetings. Of these conferences, 61 were federal-provincial-territorial and 25 were provincial-territorial. The months of June and September were our busiest months in fiscal year 2007-2008 with 17 conferences served in each.

André M. McArdle
Secretary

Management Representation Statement

I submit for tabling in Parliament, the 2007-2008 Departmental Performance Report for the Canadian Intergovernmental Conference Secretariat.

This document has been prepared based on the reporting principles contained in the *Performance Reporting Good Practices Handbook 2008.*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS) guidance;
- It is based on the department's approved Program Activity Architecture structure as reflected in its Management Resources and Results Structure (MRRS);
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the Report on Plans and Priorities (RPP).

Mara Indri-Skinner
Assistant Secretary

Summary Information

Raison d'être

The Canadian Intergovernmental Conference Secretariat (CICS) was established pursuant to an agreement reached at the May 1973 First Ministers' Conference and designated a department of the federal government by an Order-in-Council dated November 29, 1973. Its one-program and one-activity mandate is to provide administrative services for the planning and conduct of First Ministers, Ministers and Deputy Ministers level federal-provincial-territorial and provincial-territorial conferences.

The CICS is an agency of both the federal and provincial governments and, as such, acts as a neutral intergovernmental body. Its budget is supported by both orders of government and its staff includes both federal and provincial public servants. The Secretary reports to all governments annually. The operations are reviewed by federal and provincial senior officials designated by their respective First Ministers. The CICS reports to Parliament through the President of the Queen's Privy Council for Canada.

Total Financial Resources for the Agency ($ millions)

2007-2008		
Planned Spending	**Total Authorities**	**Actual Spending**
6.5	6.5	5.0

Total Human Resources for the Agency

2007-2008		
Planned	**Actual**	**Difference**
36	30	6

Summary of Performance in Relationship to Departmental Strategic Outcomes ($ millions) 2007-2008

Strategic Outcome / Priorities	Type	Planned Spending	Actual Spending	Expected Results and Current Status
Plan, conduct, and serve 110-120 intergovernmental conferences at the most senior levels in response to requests by governments	Ongoing	6.5	5.0	86 Senior level intergovernmental conferences were served

Overall Agency Performance

The 2007-2008 fiscal year was one of consolidation and preparation for the Canadian Intergovernmental Conference Secretariat (CICS). Requests for CICS services declined from the level of previous years, with several provincial elections impacting meeting opportunities and sectors reacting to the on-going minority federal government by adopting a 'wait-and-see' perspective. Federal-provincial-territorial relations moved into a period where developing significant new initiatives would require majority support before they could be planned, funded and executed, in many cases. Parties to these meetings instead took the time to analyze and develop their own practices, and to frame their status within the political environment.

CICS took advantage of the lower number of conferences during the year, to study means of cost optimalization, to review operating procedures and implement and document best practices, and to cross-train employees for the purpose of risk mitigation. Also noteworthy, the Secretariat was able to reduce total operating costs, as compared to the previous fiscal year.

Conference Highlights:

CICS provided its services to eighty-six senior level intergovernmental conferences in 2007-2008. Of these meetings, four were held at the level of Premiers and Territorial Leaders, and these meetings require significantly more effort than standard, in terms of planning and execution:

- the National Aboriginal Women's Summit, hosted in Corner Brook, Newfoundland and Labrador from June 20th to 22nd, 2007.
- the 31st Annual Conference of New England Governors and Eastern Canadian Premiers, hosted by Prince Edward Island which was held in Brudenell on June 25th and 26th , 2007.
- the 2007 Western Premiers' Conference, hosted by Nunavut from July 4 to July 6, 2007 in Iqaluit;
- the Meeting of the Southeastern United States – Canadian Provinces Alliance, which was held in Montréal, Quebec on November 15th and 16th, 2007.

Number of Conferences Served:

While there was a decrease in the number of meetings from the 115 served in 2006-2007, the number of Premiers level conferences doubled in 2007-2008 from two to four.

Of the many conferences served, 42 percent where at the Ministerial level and 53 percent were at the Deputy Ministerial level.

For further performance statistics on conferences, the reader is encouraged to review SECTION IV – Other Items of Interest – Conference Related Statistics.

Human Resource Management

Many of the broader trends affecting the Public Service in general began to be felt at the agency. The Secretariat experienced significant personnel turnover and departures during the fiscal year 2007-2008, with employees retiring and others being lured to larger departments in terms of career progression.

To resolve some of the challenges associated with recruitment and retention, and in order to identify its current and future human resources requirements, the Secretariat developed its first Integrated Business and Human Resources Plan for 2007-2010.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Detailed Analysis of Performance

Strategic Outcome: Multilateral intergovernmental meetings of First Ministers, Ministers and Deputy Ministers are planned and conducted flawlessly.

Program Activity Name: Canadian Intergovernmental Conference Secretariat

Program Activity Description:

Provision of expert, impartial support services for the planning and conduct of First Ministers, Ministers and Deputy Ministers level federal-provincial-territorial and provincial-territorial conferences.

Total Financial Resources for the Agency ($ millions)

2007-2008		
Planned Spending	**Total Authorities**	**Actual Spending**
6.5	6.5	5.0

Human Resources

2007-2008		
Planned	**Actual**	**Difference**
36	30	6

CICS assesses achievement of its one-program/one-activity commitments through several performance indicators:

- Number of Conferences Served (see SECTION IV)
- Letters of Appreciation
- Number of Conferences that CICS was able to respond to in 2007-2008
- Number of Conferences Served by Non-Conference support personnel in CICS

Letters of Appreciation:

While there are no formal performance indicators yet in place to gather this information, appreciation letters are often received from our clients. Of those received, we have chosen the following extracts:

> "I am impressed by the professional and efficient manner in which the Secretariat provides invaluable conference support services. Please be assured that my colleagues and I appreciate your efforts and the efforts of your dedicated staff. "
>
> The Honourable Robert Ghiz
> Premier of Prince Edward Island

> "An event of this magnitude is quite an undertaking and the support provided by the Canadian Intergovernmental Conference Secretariat is invaluable. The success of this meeting is a testament to the professionalism and capabilities of you and your staff."
>
> William J. S. Elliott
> Associate Deputy Minister
> Public Safety and Emergency
> Preparedness Canada

> "In relation to the organization of the conference, the Eastern Canadian Premiers' Secretariat wishes to commend your staff who worked tirelessly in the planning and execution of the 31st Conference of the New England Governors and Eastern Canadian Premiers."
>
> Don Osmond
> Co-Secretary to the NEG-ECP
> The Conference of the New England
> Governors and the Eastern Canadian
> Premiers

> "We just wanted to say thank you for all the hard work that you and the rest of the CICS team did on our behalf to support the 2007 Northern Development Ministers' Forum here in Ottawa. Everything went so smoothly due to your great logistical organization and planning ahead."
>
> Suha Taissi
> Indian Northern Affairs Canada

Number of Conferences that CICS was able to respond to in 2007-2008

In 2007-2008, CICS was able to serve all senior level federal-provincial-territorial and provincial-territorial meetings requested by our clients.

Number of Conferences Served by Non-Conference support personnel in CICS

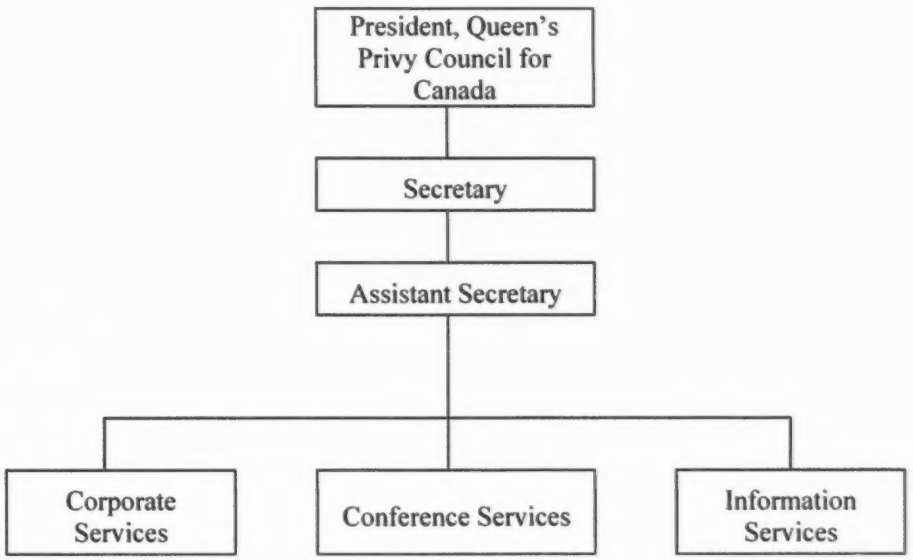
Of the 86 conferences served in 2007-2008, one was served entirely by non-conference personnel (individuals employed in other sectors of the Secretariat but also trained to serve conferences). These individuals are called upon to assist Conference Services at specific times of the year when demand for CICS services reaches a peak period.

SECTION III – SUPPLEMENTARY INFORMATION

Organizational Information

The CICS is an agency of both the federal and provincial governments and, as such, acts as a neutral intergovernmental body. Its budget is supported by both orders of government and its staff includes both federal and provincial public servants. The Secretary reports to all governments annually. The operations are reviewed by federal and provincial senior officials designated by their respective First Ministers. The CICS reports to Parliament through the President of the Queen's Privy Council for Canada.

CICS Organization Structure



CICS services include pre-conference planning and coordination; the set-up of conference site facilities; secretaryship; interpretation; the translation, printing, distribution and control of documents; media relations; security; and the provision of technical equipment and secretarial and technical assistance which includes informatics.

In addition to the above conference services which are available anywhere in Canada, a document archives is maintained by the Secretariat for the use of governments. The Secretariat also has its world wide web site containing not only pertinent information on the organization and its activities, but most importantly, conference communiqués released immediately after the close of major conferences we serve.

Table 1: Comparison of Planned Spending to Actual Spending (incl. FTE)

($ millions)

	2005-2006 Actual	2006-2007 Actual	2007-2008 Main Estimates	2007-2008 Planned Spending	2007-2008 Total Authorities	2007-2008 Actual
Canadian Intergovernmental Conference Secretariat	**5.4**	**5.4**	**6.5**	**6.5**	**6.5**	**5.0**
Less: Non-Respendable revenue	1.1	1.2	1.2	1.2	1.2	1.1
Plus: Cost of services received without charge	0.5	0.6	0.6	0.6	0.6	0.6
Net cost of Agency	**4.8**	**4.8**	**5.9**	**5.9**	**5.9**	**4.5**
Full Time Equivalents	**31**	**32**	**36**	**36**	**36**	**30**

Table 2: Resources by Program Activity

($ millions)

2007-2008				
	Budgetary			
Program Activity	**Operating**	**Total: Gross Budgetary Expenditures**	**Less: Respendable Revenue**	**Total: Net Budgetary Expenditures**
Canadian Intergovernmental Conference Secretariat				
Main Estimates	6.5	6.5	1.2	5.3
Planned Spending	*6.5*	*6.5*	*1.2*	*5.3*
Total Authorities	6.5	6.5	1.2	5.3
Actual Spending	*5.0*	*5.0*	*1.1*	*3.9*

Table 3: Voted and Statutory Items

($ millions)

		2007-2008			
Vote or Statutory Item	**Canadian Intergovernmental Conference Secretariat**	**Main Estimates**	**Planned Spending**	**Total Authorities**	**Total Actuals**
5	Operating expenditures	6.0	6.0	6.0	4.6
(S)	Contributions to employee benefit plans	0.5	0.5	0.5	0.4
	Total	**6.5**	**6.5**	**6.5**	**5.0**

Table 4: Services Received Without Charge

($ millions)

	2007-2008
Accommodation provided by Public Works and Government Services Canada	0.4
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS	0.2
Total 2007-2008 Services received without charge	**0.6**

Table 5: Source of Non-Respendable Revenue

($ millions)

	Actual 2005-2006	Actual 2006-2007	2007-2008			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Canadian Intergovernmental Conference Secretariat						
Transfer payments from other governments (See Table 5a)	1.1	1.2	1.2	1.2	1.2	1.1
Miscellaneous Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Total	**1.1**	**1.2**	**1.2**	**1.2**	**1.2**	**1.1**

Table 5(A): Provincial Contributions Towards CICS' Budget (replace)

Financial Table - Provincial Contributions Towards CICS' Budget (000's)									
Population Census 2001		2007 - 2008							2008 - 2009
		Main estimates			Contribution payment received				To be subtracted
	%	Co-shared [2] Amount	Less: Budget Lapse 2006-2007	Projected Contribution	Co-shared [2] Amount	Less: Budget Lapse 2006-2007	Total Billed	Actual [3] Contribution	Budget [4] Lapse 2007-2008
Total Budget/*Expenditures*		6,516.00	(1,233.40)	5,282.60	*6,516.00*	*(1,233.40)*	*5,282.60*		*(1,503.60)*
Less: Federal Share [1]		3,900.00	(783.40)	3,180.60	*3,900.00*	*(783.40)*	*3,180.60*		*(887.30)*
Total Provincial Share		2,616.00	(450.00)	2,507.50	*2,616.00*	*(450.00)*	*2,507.50*		*(616.30)*
Newfoundland and Labrador	1.7	44.5	(7.60)	36.9	44.5	(7.60)	36.9	36.9	(10.50)
Nova Scotia	3.0	78.5	(13.50)	65.0	78.5	(13.50)	65.0	65.0	(18.50)
New Brunswick	2.4	62.8	(10.80)	52.0	62.8	(10.80)	52.0	52.0	(14.80)
Prince Edward Island	0.5	13.0	(1.00)	12.0	13.0	(1.00)	12.0	12.0	0.0
Quebec	24.2	633.1	0.0	633.1	633.1	0.0	633.1	131.3	0.0
Ontario	38.2	999.3	0.0	999.3	999.3	0.0	999.3	355.6	0.0
Manitoba	3.7	96.8	(16.60)	80.2	96.8	(16.60)	80.2	80.2	(22.80)
Saskatchewan	3.3	86.3	(14.90)	71.4	86.3	(14.90)	71.4	71.4	(20.30)
Alberta	9.9	259.0	(44.50)	214.5	259.0	(44.50)	214.5	214.5	(61.00)
British Columbia	13.1	342.7	0.0	342.7	342.7	0.0	342.7	95.0	0.0
Total	100.0	2,616.00	(108.90)	2,507.10	2,616.00	(108.90)	2,507.10	1,113.90	(147.90)

Notes:

[1] Federal share includes 50% of operational budget/*expenditure* plus, employee benefit plans for federal employees, translation costs, tenant services, capital and revenue shortfalls resulting from the non-payment or partial payment by the provinces of their respective share.

[2] Provincial contributions are per capita, based on the 2001 population census.

[3] Revenue shortfalls resulting from the non-payment or partial payment by the provinces are automatically absorbed by the federal government.

[4] Budget lapse is the result of difference between amount invoiced and share based on actual 2007-2008 expenditures.

Table 6: Resource Requirement by Branch or Sector

($ millions)

Canadian Intergovernmental Conference Secretariat	Main Estimates	Total Planned Spending	Total Authorities	Actual
Executive Branch	0.3	0.3	0.3	0.3
Conference Services	4.7	4.7	4.7	3.4
Information Services	0.9	0.9	0.9	0.7
Corporate Services	0.6	0.6	0.6	0.6
Total	**6.5**	**6.5**	**6.5**	**5.0**

Table 7: Unaudited Financial Statements of CICS

Unaudited Financial Statements of

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Year ended March 31, 2008

Canadian Intergovernmental Conference Secretariat (CICS)
Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in this report rests with the Canadian Intergovernmental Conference Secretariat (CICS) management. For the purpose of this document, CICS will be referred to as the Agency.

These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate division of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency.

The financial statements of the Agency have not been audited.

André M. McArdle, Secretary
Ottawa, Canada
August 8, 2008

Mara Indri-Skinner
Assistant Secretary and
Senior Financial Officer
Ottawa, Canada
August 8, 2008

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Operations (unaudited)

For the Year ended March 31, 2008

	($ Dollars)	
	2008	2007
Expenses		
Salaries and employee benefits	**$2,707,861**	$2,711,483
Transportation and communication	**1,070,404**	1,033,289
Rentals	**929,224**	1,064,172
Professional and special services	**701,883**	731,427
Amortization of tangible capital assets	**142,094**	141,464
Utilities, materials and supplies	**70,903**	109,509
Repairs and upkeep	**106,978**	91,165
Information	**1,200**	23,848
Gain (loss) on disposal of tangible capital assets	**0**	1,263
Miscellaneous	**0**	8
Total Expenses	**$5,730,547**	$5,907,628
Revenue		
Provincial contributions	**$1,113,900**	$1,168,800
Miscellaneous revenue	**207**	416
Total	**$1,114,107**	$1,169,216
Net Cost of Operations	**$4,616,440**	$4,738,412

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Financial Position (unaudited)

As at March 31, 2008

	($ Dollars)	
	2008	2007
Assets		
Financial Assets		
Accounts receivable and advances (Note 4)	**$311,940**	$234,192
Non-Financial Assets		
Tangible capital assets (Note 5)	**166,548**	266,123
Total	**$478,488**	$500,315
Liabilities		
Accounts Payable and accrued liabilities (Note 6)	**$374,666**	$461,089
Vacation and compensatory leave	**95,874**	93,153
Employee severance benefits (Note 7)	**307,522**	294,563
Total Liabilities	**$778,062**	$848,805
Equity of Canada	**($299,574)**	($348,490)
Total	**$478,488**	$500,315

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Equity of Canada (unaudited)

For the Year Ended March 31, 2008

	($ Dollars)	
	2008	2007
Equity of Canada, beginning of year	**($348,490)**	($486,187)
Net cost of operations	**(4,616,440)**	(4,738,412)
Current year appropriations used (Note 3b)	**5,024,212**	5,282,532
Revenue not available for spending	**(1,114,107)**	(1,169,216)
Change in net position in the Consolidated Revenue Fund (Note 3c)	**163,339**	(188,863)
Services provided without charge by other government departments (Note 8)	**591,912**	573,930
Equity of Canada, end of year	**($299,574)**	($348,490)

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Cash Flows (unaudited)

For the year ended March 31, 2008

	($ Dollars)	
	2008	2007
Operating activities		
Net Cost of Operations	**$4,616,440**	$4,738,412
Non-cash items:		
Amortization of tangible capital assets	**(142,094)**	(141,464)
Gain (loss) on disposal of tangible capital assets	**0**	(1,263)
Services provided without charge by other government departments	**(591,912)**	(573,930)
Variations in statement of Financial Position		
Decrease in accounts payable and accrued liabilities	**86,424**	66,739
Increase in accounts receivables and advances	**77,748**	122,371
Increase in vacation pay and compensatory leave	**(2,721)**	(6,355)
Employee severance benefits	**(12,960)**	(24,556)
Cash Used by Operating Transactions	**$4,030,925**	$4,179,954
Capital investment activities		
Acquisition of tangible capital assets	**42,519**	122,225
Financing activities		
Net Cash Provided by Government of Canada	**$4,073,444**	$4,302,179

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Notes to the Financial Statements

For the Year Ended March 31, 2008

1. Authority and objectives

The Canadian Intergovernmental Conference Secretariat (CICS) was designated an Agency within the Government of Canada in November 1973, by an Order-in-Council. The Secretariat is an Agency of the Federal and Provincial governments. The Agency is named in Section II of the Financial Administration Act and reports to Parliament through the President of the Queen's Privy Council for Canada.

The mandate of the Agency is to excel in the planning, conduct and serving of senior intergovernmental conferences. The objective of the program is tc relieve client departments, in virtually all sectors of government activity, of the numerous technical and administrative tasks associated with the planning and conduct of such conferences, thereby enabling them to concentrate on the substantive issues. The Agency not only provides services to the federal-provincial-territorial meetings, but as well to provincial-territorial conferences.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations:
The Agency is financed by the Government of Canada through Parliamentary Appropriations. Appropriations provided to the Agency do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government:
The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

Notes to the Financial Statements

(c) Change in net position in the Consolidated Revenue Fund (CRF):
The net change in the CRF is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

Revenue relating to the provincial support of the operations of the Agency is recognized in the period in which the funds are received.

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses:
Expenses are recorded on the accrual basis.

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Superannuation Pension Plan, a multiemployer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

Notes to the Financial Statements

(g) Accounts and advances receivable:
These are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Tangible capital assets:
All tangible capital assets having an initial cost of $2,000 or more are recorded at their acquisition cost. The Agency does not capitalize intangibles, works of arts and historical treasures that have cultural, aesthetic or historical value, assets located on Indian reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Furniture, furnishings and office equipment	5 years
Informatics hardware	3 years

(i) Contingent liabilities:
Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(j) Measurement uncertainty:
The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

3. Parliamentary Appropriations

The Agency receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	($ Dollars)	
	2008	2007
Net cost of operations	**$4,616,440**	$4,738,412
Adjustments for items affecting net costs of operations but not affecting appropriations:		
Add (less): Services provided without charge by other government departments	**(591,912)**	(573,930)
Amortization of tangible capital assets	**(142,094)**	(141,464)
Revenue not available for spending	**1,114,107**	1,169,216
(Loss) gain on disposal of tangible capital assets	**0**	(1,263)
Vacation pay and compensatory leave	**(2,721)**	(6,355)
Employee Severance Benefits	**(12,959)**	(24,556)
Other	**832**	247
Sub-Total	**$4,981,693**	$5,160,307
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (less): Acquisitions of tangible capital assets	**42,519**	122,225
Current year appropriation used	**$5,024,212**	$5,282,532

(b) Appropriations provided and used

	($ Dollars)	
	2008	2007
Vote 5 - Operating expenditures	**$6,389,080**	$6,098,000
Statutory amounts	**376,846**	352,013
Less: Lapsed appropriations: Operating	**(1,741,714)**	(1,167,481)
Current year appropriation used	**$5,024,212**	$5,282,532

(c) Reconciliation of net cash provided by Government to current year appropriations used

	($ Dollars)	
	2008	2007
Net cash provided by Government	**$4,073,444**	$4,302,179
Revenue not available for spending	**1,114,107**	1,169,216
Sub-Total	**$5,187,551**	$5,471,395
Change in net position in the Consolidated Revenue Fund		
Increase (decrease) in accounts receivable and advances	**($77,748)**	($122,371)
Increase (decrease) in accounts payable and accrued liabilities	**(86,423)**	(66,739)
Other adjustments	**832**	247
Sub-Total	**($163,339)**	($188,863)
Current year appropriations used	**$5,024,212**	$5,282,532

4. Accounts Receivable and Advances

	($ Dollars)	
Receivables and advances	**2008**	2007
Receivables from other Federal Government departments and agencies	**$202,254**	$127,392
Receivables from external parties	**97,086**	95,000
Employee advances	**12,600**	11,800
Total	**$311,940**	$234,192

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

5. Tangible Capital Assets

				($ Dollars)	
Cost	Balance April 1, 2007	Additions	Disposals	**Balance March 31, 2008**	2007
Furniture, Furnishings and Office Equipment	$235,746	$7,319	$105,054	**$138,011**	$235,746
Informatics Hardware	905,513	35,200	711,511	**229,202**	905,513
Total Cost	$1,141,259	$42,519	$816,565	**$367,213**	$1,141,259

				($ Dollars)	
Accumulated Amortization	Balance April 1, 2007	Amortization	Disposals	**Balance March 31, 2008**	2007
Furniture, Furnishings and Office Equipment	$141,977	$51,041	$105,054	**$87,964**	$141,977
Informatics Hardware	733,159	91,053	711,511	**112,701**	733,159
Total Amortization	$875,136	$142,094	$816,565	**$200,665**	$875,136

	($ Dollars)	
Net Book Value	**Balance March 31, 2008**	2007
Furniture, Furnishings and Office Equipment	**$50,047**	$93,769
Informatics Hardware	**116,501**	172,354
Total Net Book Value	**$166,548**	$266,123

Amortization expenses for the year ended March 31, 2008 amounted to $142,094 ($141,464 for 2006-2007). Note that an adjustment made in 2007-2008 sees Tangible Assets at cost and accumulated amortization on those assets fully amortized at the beginning of the year removed from the tables. This adjustment reduces assets at cost and accumulated amortization by $648,397 each, while the net book value of these assets is unchanged by this adjustment.

6. Accounts Payable

	($ Dollars)	
Accounts Payable	**2008**	2007
Ongoing - external parties	**$236,307**	$168,956
Salaries and wages	**85,262**	113,038
Other government departments and agencies	**53,097**	179,095
Total	**$374,666**	$461,089

7. Employee Benefits

(a) Pension benefits: The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2007-08 expense amounts to $376,848 ($352,013 in 2006-07), which represents approximately 2.1 times the contributions by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	($ Dollars)	
	2008	2007
Accrued benefit obligation, beginning of year	**$294,563**	$270,007
Expense for the year	**78,329**	24,556
Benefits paid during the year	**(65,369)**	0
Accrued benefit obligation, end of year	**$307,523**	$294,563

8. Related party transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Agency received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge

During the year, the Agency received without charge from other government departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's Statement of Operations as follows:

	($ Dollars)	
	2008	2007
Accommodation	**$416,312**	$373,130
Employer's contribution to the health and dental insurance plans	**175,600**	200,800
Total	**$591,912**	$573,930

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the Secretariat's Statement of Operations.

(b) Payables and receivables at year-end with related parties:

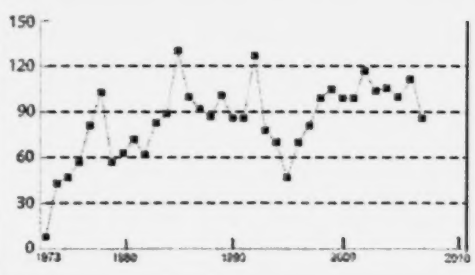
	($ Dollars)	
	2008	2007
Account receivables with other government departments and agencies	**$202,254**	$127,392
Accounts payable to other government departments and agencies	**$53,097**	$179,096

SECTION IV – OTHER ITEMS OF INTEREST

Conference Related Statistics

The number of conferences served by the Secretariat in the 2007-2008 fiscal year was 86. With this total CICS has maintained an average of over 100 conferences served for the last eight years.

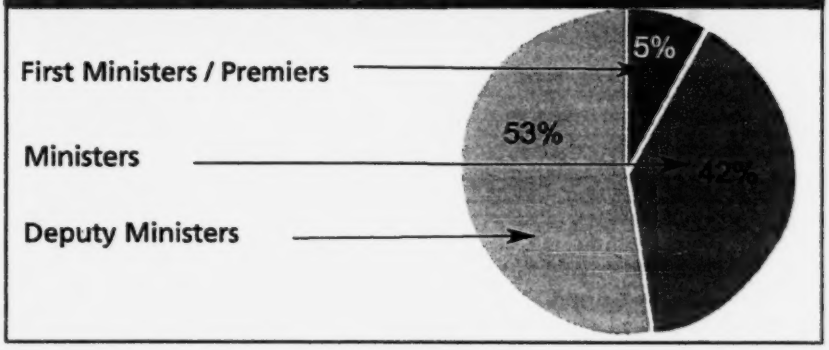
Conferences Served by CICS (1973 to present)



1973-74	8	1985-86	130	1997-98	81
1974-75	43	1986-87	100	1998-99	99
1975-76	47	1987-88	92	1999-00	105
1976-77	57	1988-89	87	2000-01	99
1977-78	81	1989-90	101	2001-02	99
1978-79	103	1990-91	86	2002-03	117
1979-80	57	1991-92	86	2003-04	104
1980-81	63	1992-93	127	2004-05	106
1981-82	72	1993-94	78	2005-06	100
1982-83	62	1994-95	70	2006-07	115
1983-84	83	1995-96	47	2007-08	86
1984-85	89	1996-97	70		

The Secretariat provided services in 2007-2008 to 4 meetings (5% of total served) at the Premiers' and Territorial Leaders' level. CICS also provided its support to 36 Ministerial conferences (representing 42% of all meetings served in 2007-2008) and to 46 Deputy Ministerial conferences (53%).

Conferences by Level in 2007 - 2008

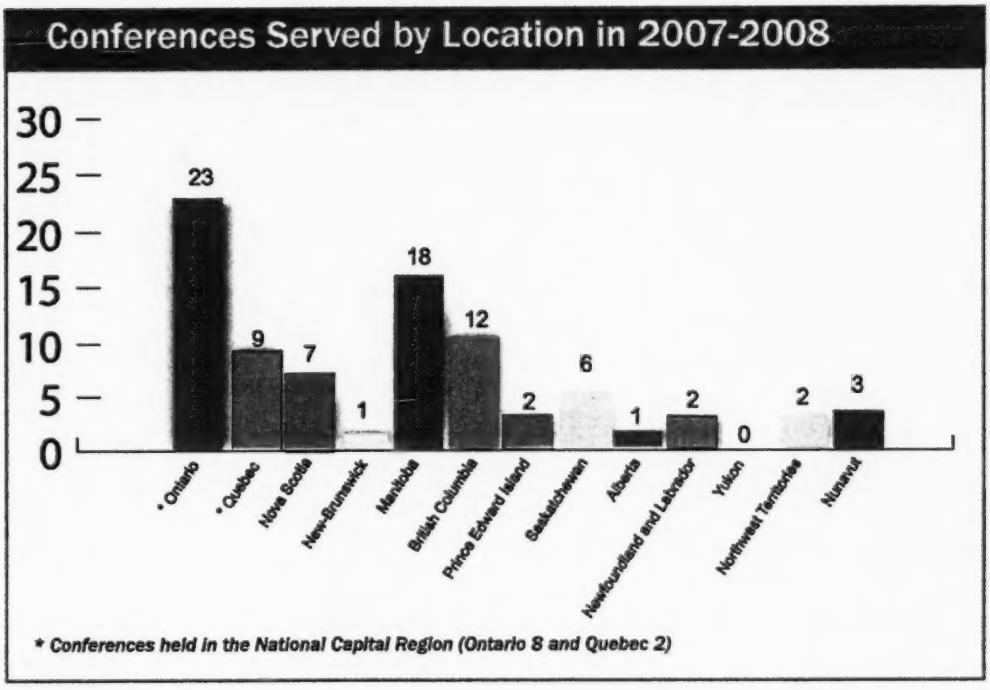


As can be seen from the following table, the most active sectors in terms of number of conferences were Human Resources and Social Services including Labour, as well as Justice, which met 9 times in 2007-2008 followed closely by Health with 8 conferences and Natural Resources meeting 7 times in 2007-2008.

Conferences Served by CICS - From April 1, 2007 to March 31, 2008

Sector	First Ministers	F-T Ministers	F-T Deputy Ministers	FPT Ministers	FPT Deputy Ministers	Premiers	P-T Ministers	P-T Deputy Ministers	Total
Agriculture				3			1		4
Citizenship and Immigration				1	1				2
Economy						1			1
Education * (FPT DMs' Meeting on Financial Assistance to Students -1)					1*		2	2	5
Emergency Preparedness				1			1	1	3
Environment (Includes Canadian Endangered Species Conservation Council and Joint Forest, Parks, Endangered Species, Environment, Fisheries & Aquaculture)				2	3				5
Finance (includes Intergovernmental Budget Conference)					1				1
Fisheries (Includes Aquaculture)				3	1				4
Health (Includes Health Retreat, Inuit Health Summit and National Aboriginal Health Working Summit)				1	3		1	3	8
Heritage (Includes Canadian Francophonie and Parks)				3	2		1		6
Housing							1	1	2
Human Resources and Social Services (includes Labour, Seniors, Retreat on Disability Issues, Labour Market Ministers and Labour Legislation)				2	6			1	9
Intergovernmental Affairs (includes Western Premiers' and New England Governors & Eastern Canadian Premiers)						2			2
Justice (Includes Chief Coroners and Chief Medical Examiners, Public Trustees and Guardians and Ministerial Forum on Organized Crime)				3	2		1	4	10
Local Government							1	1	2
Native / Aboriginal Affairs (includes National Aboriginal Women's Summit)						1			1
Natural Resources (Includes Mines, Energy, Forest and Joint Meeting of the Canadian Councils of Resource Ministers and Canadian Council of Ministers of the Environment)				4	1		1	1	7
Northern Development				1					1
Public Works & Government Administration (Includes Public Service Commissioners and Inter-jurisdictional Service Delivery Collaboration)					3				3
Sports and Recreation					1				1
Status of Women				1	3				4
Trade (Includes Internal Trade)				1					1
Transport					4				4
Total	0	0	0	26	32	4	10	14	86

On a regional basis, in 2007-2008, CICS served 37 meetings in Western Canada (43% of the total), 12 meetings in Atlantic Canada (14%), 23 and 9 conferences in Ontario and Quebec respectively (which includes the National Capital Region) (37%) and 5 meetings in the territories (6%).



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2003-2004 http://www.scics.gc.ca/pubs/rep_gov_2003_04_e.pdf

First Ministers' Conferences

1906-2004 http://www.scics.gc.ca/pubs/fmp_e.pdf

Premiers' Conferences

1887-2002 http://www.scics.gc.ca/pubs/premiers_report_e.pdf
Addendum http://www.scics.gc.ca/pubs/premiers_addendum2003_e.pdf

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